

**ND PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2003**

	March-03					December-02					September-02					Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR		Market Value	Allocation Actual	Policy	Quarter Net ROR		Net ROR	Net ROR	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																			
<i>Structured Growth</i>																			
<i>AllianceBernstein</i>	21,657,296	2.1%	2.3%	-0.19%	3.26%	19,511,985	1.9%	2.3%	3.03%		18,780,830	1.9%	2.3%	-13.56%		-11.11%	-28.98%	-16.11%	N/A
<i>Russell 1000 Growth</i>				-1.07%	1.86%				7.15%					-15.05%		-9.95%	-26.49%	-16.15%	N/A
<i>Structured Value</i>																			
<i>LSV</i>	43,132,468	4.3%	4.5%	-5.87%	0.12%	45,636,683	4.4%	4.5%	6.44%		42,506,859	4.3%	4.5%	-18.29%		-18.14%	2.72%	5.54%	N/A
<i>Russell 1000 Value</i>				-4.86%	0.17%				9.22%					-18.77%		-15.59%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>																			
<i>LA Capital (Wilshire)</i>	42,797,689	4.2%	4.5%	-1.88%	1.43%	43,465,003	4.2%	4.5%	6.92%		40,322,633	4.1%	4.5%	-16.27%		-12.16%	-17.00%	N/A	N/A
<i>Russell 1000</i>				-2.94%	1.04%				8.16%					-16.91%		-12.77%	-17.89%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>																			
<i>Northern Trust</i>	41,283,930	4.1%	4.5%	-3.17%	1.00%	42,479,676	4.1%	4.5%	8.10%		38,974,110	4.0%	4.5%	-16.71%		-12.81%	-16.98%	N/A	N/A
<i>Strong</i>	42,536,831	4.2%	4.5%	-1.41%	1.61%	42,986,661	4.2%	4.5%	10.08%		38,723,285	3.9%	4.5%	-16.75%		-9.64%	-20.23%	N/A	N/A
<i>Westridge</i>	51,769,895	5.1%	4.5%	-3.15%	0.96%	52,870,344	5.2%	4.5%	8.52%		48,513,336	4.9%	4.5%	-17.19%		-12.96%	-17.54%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>135,590,655</b>	<b>13.4%</b>	<b>13.5%</b>	<b>-2.62%</b>	<b>1.18%</b>	<b>138,336,681</b>	<b>13.5%</b>	<b>13.5%</b>	<b>8.87%</b>		<b>126,210,731</b>	<b>12.9%</b>	<b>13.5%</b>	<b>-16.88%</b>		<b>-11.87%</b>	<b>-18.23%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				-3.15%	0.97%				8.44%					-17.28%		-13.13%	-17.98%	N/A	N/A
<i>S&amp;P 500 Index</i>																			
<i>State Street</i>	49,238,861	4.9%	5.3%	-3.15%	0.96%	50,657,847	4.9%	5.3%	8.45%		43,960,466	4.5%	5.3%	-17.26%		-13.09%	-17.96%	-9.14%	3.67%
<i>S&amp;P 500</i>				-3.15%	0.97%				8.44%					-17.28%		-13.13%	-17.98%	-9.18%	3.67%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>292,416,970</b>	<b>28.9%</b>	<b>30.0%</b>	<b>-2.88%</b>	<b>1.17%</b>	<b>297,608,199</b>	<b>29.0%</b>	<b>30.0%</b>	<b>7.69%</b>		<b>271,781,518</b>	<b>27.7%</b>	<b>30.0%</b>	<b>-16.78%</b>		<b>-12.97%</b>	<b>-17.13%</b>	<b>-9.48%</b>	<b>2.68%</b>
<i>S&amp;P 500</i>				-3.15%	0.97%				8.44%					-17.28%		-13.13%	-17.98%	-9.18%	3.67%
<b>SMALL CAP DOMESTIC EQUITY</b>																			
<i>Manager-of-Managers</i>																			
<i>SEI</i>	97,483,162	9.6%	8.0%	-4.27%	1.24%	101,823,731	9.9%	10.0%	5.19%		70,903,263	7.2%	8.0%	-19.10%		-18.53%	-11.87%	N/A	N/A
<i>Russell 2000 + 200bp</i>				-4.00%	1.46%				6.66%					-20.90%		-19.01%	-6.68%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>97,483,162</b>	<b>9.6%</b>	<b>10.0%</b>	<b>-4.27%</b>	<b>1.24%</b>	<b>101,823,731</b>	<b>9.9%</b>	<b>10.0%</b>	<b>5.19%</b>		<b>70,903,263</b>	<b>7.2%</b>	<b>8.0%</b>	<b>-19.10%</b>		<b>-18.53%</b>	<b>-11.87%</b>	<b>1.18%</b>	<b>1.95%</b>
<i>Russell 2000</i>				-4.49%	1.29%				6.16%					-21.40%		-20.30%	-8.59%	1.67%	4.44%
<b>INTERNATIONAL EQUITY</b>																			
<i>Large Cap - Core</i>																			
<i>State Street</i>	17,595,204	1.7%	2.0%	-8.71%	-1.92%	19,291,897	1.9%	2.0%	4.11%		13,130,499	1.3%	1.6%	-19.99%		-23.95%	-11.74%	-6.76%	-2.26%
<i>MSCI EAFE - 50% Hedged</i>				-9.03%	-2.22%				4.04%					-20.02%		-24.30%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>																			
<i>Capital Guardian</i>	44,433,927	4.4%	5.0%	-10.07%	-3.28%	49,452,515	4.8%	5.0%	7.35%		34,237,389	3.5%	4.0%	-21.50%		-24.21%	-13.17%	-1.00%	5.76%
<i>Bank of Ireland</i>	8,982,676	0.9%	1.0%	-10.88%	-2.20%	10,089,180	1.0%	1.0%	7.13%		7,407,705	0.8%	0.8%	-21.60%		-25.15%	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>53,416,603</b>	<b>5.3%</b>	<b>6.0%</b>	<b>-10.21%</b>	<b>-3.10%</b>	<b>59,541,696</b>	<b>5.8%</b>	<b>6.0%</b>	<b>7.31%</b>		<b>41,645,095</b>	<b>4.2%</b>	<b>4.8%</b>	<b>-21.51%</b>		<b>-24.37%</b>	<b>-12.19%</b>	<b>-0.63%</b>	<b>6.00%</b>
<i>MSCI EAFE - 50% Hedged</i>				-9.03%	-2.22%				4.04%					-20.02%		-24.30%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>																			
<i>Lazard</i>	10,133,381	1.0%	1.0%	-6.21%	-0.49%	10,812,841	1.1%	1.0%	3.95%		8,303,351	0.8%	0.8%	-17.39%		-19.46%	N/A	N/A	N/A
<i>Wellington</i>	10,453,280	1.0%	1.0%	-3.06%	-0.38%	10,793,693	1.1%	1.0%	7.10%		7,963,664	0.8%	0.8%	-17.35%		-14.18%	N/A	N/A	N/A
<b>Total Small Cap - Active</b>	<b>20,586,661</b>	<b>2.0%</b>	<b>2.0%</b>	<b>-4.64%</b>	<b>-0.43%</b>	<b>21,606,534</b>	<b>2.1%</b>	<b>2.0%</b>	<b>5.49%</b>		<b>16,267,015</b>	<b>1.7%</b>	<b>1.6%</b>	<b>-17.37%</b>		<b>-16.87%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>SSB BROAD MARKET INDEX &lt; \$2BN</i>				-2.09%	-0.40%				1.85%					-15.30%		-15.54%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>91,598,468</b>	<b>9.0%</b>	<b>10.0%</b>	<b>-8.72%</b>	<b>-2.28%</b>	<b>100,440,127</b>	<b>9.8%</b>	<b>10.0%</b>	<b>6.24%</b>		<b>71,042,608</b>	<b>7.2%</b>	<b>8.0%</b>	<b>-20.31%</b>		<b>-22.72%</b>	<b>-10.49%</b>	<b>-2.94%</b>	<b>2.40%</b>
<i>MSCI EAFE - 50% Hedged</i>				-9.03%	-2.22%				4.04%					-20.02%		-24.30%	-14.62%	-5.75%	0.27%
<b>EMERGING MARKETS EQUITY</b>																			
<i>Capital Guardian</i>	46,170,962	4.6%	5.0%	-6.12%	-2.35%	49,179,776	4.8%	5.0%	11.72%		44,022,601	4.5%	5.0%	-16.68%		-12.61%	-5.69%	-5.69%	-6.04%
<i>MSCI Emerging Markets Free</i>				-5.87%	-2.84%				10.04%					-16.30%		-13.31%	1.30%	-6.34%	-8.42%
<b>DOMESTIC FIXED INCOME</b>																			
<i>Core Bond</i>																			
<i>Western Asset</i>	40,126,956	4.0%	3.6%	3.03%	0.03%	38,769,713	3.8%	3.7%	2.49%		50,157,445	5.1%	4.3%	3.66%		9.46%	8.87%	8.93%	8.26%
<i>Lehman Aggregate</i>				1.39%	-0.08%				1.57%					4.58%		7.70%	8.62%	8.10%	7.57%
<i>Active Duration</i>																			
<i>WestAM (Criterion)</i>	39,546,753	3.9%	4.3%	1.46%	-0.15%	38,667,068	3.8%	4.4%	2.69%		49,437,568	5.0%	4.3%	2.57%		6.88%	6.00%	7.60%	7.09%
<i>Lehman Aggregate</i>				1.39%	-0.08%				1.57%					4.58%		7.70%	8.62%	8.10%	7.57%

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	March-03					December-02				September-02				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month		Market Value	Allocation	Quarter		Market Value	Allocation	Quarter		Fiscal YTD	FY02	Ended	Ended
		Actual	Policy	Net ROR	Net ROR									Net ROR	Net ROR	6/30/2002	6/30/2002
																Net	Net
<b>Index</b>																	
Bank of ND	46,546,947	4.6%	4.6%	1.55%	-0.29%	46,201,693	4.5%	4.5%	1.40%	59,641,291	6.1%	5.5%	5.96%	9.11%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	14,229,705	1.4%	1.4%	1.41%	0.48%	14,962,312	1.5%	1.5%	1.43%	14,932,255	1.5%	1.5%	1.44%	4.35%	5.79%	5.86%	5.90%
<b>Total Index</b>	<b>60,776,652</b>	<b>6.0%</b>	<b>6.0%</b>	<b>1.51%</b>	<b>-0.08%</b>	<b>61,164,004</b>	<b>6.0%</b>	<b>6.0%</b>	<b>1.38%</b>	<b>74,573,546</b>	<b>7.6%</b>	<b>7.0%</b>	<b>4.78%</b>	<b>7.83%</b>	<b>9.68%</b>	<b>7.81%</b>	<b>7.47%</b>
<i>Lehman Gov/Credit</i>				1.65%	-0.13%				1.73%				5.70%	9.29%	8.24%	7.85%	7.47%
<b>Convertibles</b>																	
<b>TCW</b>	<b>38,201,733</b>	<b>3.8%</b>	<b>3.6%</b>	<b>1.01%</b>	<b>1.32%</b>	<b>39,126,538</b>	<b>3.8%</b>	<b>3.7%</b>	<b>8.32%</b>	<b>44,401,459</b>	<b>4.5%</b>	<b>4.3%</b>	<b>-9.90%</b>	<b>-1.42%</b>	<b>-21.20%</b>	<b>-2.06%</b>	<b>N/A</b>
<i>First Boston Convertible Index</i>				3.82%	1.48%				9.83%				-8.56%	4.26%	-12.44%	0.11%	N/A
<b>BBB Average Quality</b>																	
<b>Strong</b>	<b>41,039,445</b>	<b>4.1%</b>	<b>3.6%</b>	<b>3.27%</b>	<b>0.59%</b>	<b>39,395,747</b>	<b>3.8%</b>	<b>3.7%</b>	<b>4.11%</b>	<b>48,988,744</b>	<b>5.0%</b>	<b>4.3%</b>	<b>0.39%</b>	<b>7.93%</b>	<b>3.16%</b>	<b>6.83%</b>	<b>N/A</b>
<i>Lehman BBB</i>				3.40%	0.54%				4.59%				2.70%	11.06%	5.85%	4.75%	N/A
<b>Timberland</b>																	
<b>Evergreen (Wachovia)</b>	<b>37,357,233</b>	<b>3.7%</b>	<b>3.7%</b>	<b>6.22%</b>	<b>-0.07%</b>	<b>34,814,039</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.15%</b>	<b>35,606,528</b>	<b>3.6%</b>	<b>3.6%</b>	<b>-0.22%</b>	<b>9.32%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
															N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>257,048,772</b>	<b>25.4%</b>	<b>24.0%</b>	<b>2.57%</b>	<b>0.23%</b>	<b>251,937,110</b>	<b>24.6%</b>	<b>24.0%</b>	<b>3.36%</b>	<b>303,165,290</b>	<b>30.9%</b>	<b>28.0%</b>	<b>0.71%</b>	<b>6.77%</b>	<b>2.56%</b>	<b>6.70%</b>	<b>6.56%</b>
<i>Lehman Aggregate</i>				1.39%	-0.08%				1.57%				4.58%	7.70%	8.62%	8.10%	7.57%
<b>HIGH YIELD BONDS</b>																	
<b>Western Asset</b>	<b>55,678,487</b>	<b>5.5%</b>	<b>5.0%</b>	<b>6.29%</b>	<b>2.78%</b>	<b>58,259,945</b>	<b>5.7%</b>	<b>5.0%</b>	<b>7.64%</b>	<b>54,125,166</b>	<b>5.5%</b>	<b>5.0%</b>	<b>-3.24%</b>	<b>10.70%</b>	<b>-6.08%</b>	<b>-3.89%</b>	<b>4.16%</b>
<i>Lehman High Yield Bond Index</i>				7.61%	2.88%				6.74%				-2.93%	11.50%	-3.60%	-2.31%	0.68%
<b>INTERNATIONAL FIXED INCOME</b>																	
<b>International Core</b>																	
<b>UBS Global (Brinson)</b>	<b>58,548,986</b>	<b>5.8%</b>	<b>5.0%</b>	<b>4.00%</b>	<b>0.37%</b>	<b>56,806,368</b>	<b>5.5%</b>	<b>5.0%</b>	<b>6.06%</b>	<b>58,509,848</b>	<b>6.0%</b>	<b>5.0%</b>	<b>2.39%</b>	<b>12.94%</b>	<b>16.83%</b>	<b>2.39%</b>	<b>2.43%</b>
<i>Salomon Brothers Non-US Gov't Bond Index</i>				3.73%	0.51%				6.06%				2.84%	13.15%	15.72%	3.14%	3.03%
<b>REAL ESTATE</b>																	
JMB	36,416			-21.97%	0.00%	62,368			-1.27%	1,034,424			1.94%	-21.47%	0.92%	1.25%	7.60%
INVESCO	26,491,724			1.79%	0.44%	26,455,209			-0.41%	26,898,258			3.78%	5.21%	2.61%	7.70%	N/A
J.P. Morgan	30,015,594			1.31%	0.74%	29,486,181			1.90%	28,936,241			1.64%	4.93%	4.10%	9.60%	11.72%
<b>TOTAL REAL ESTATE</b>	<b>56,543,735</b>	<b>5.6%</b>	<b>5.0%</b>	<b>1.56%</b>	<b>0.58%</b>	<b>56,003,758</b>	<b>5.5%</b>	<b>5.0%</b>	<b>0.65%</b>	<b>56,868,923</b>	<b>5.8%</b>	<b>5.0%</b>	<b>2.78%</b>	<b>5.06%</b>	<b>3.35%</b>	<b>8.64%</b>	<b>9.66%</b>
<i>NCREIF TOTAL INDEX</i>				1.88%	0.62%				1.67%				1.79%	5.44%	6.79%	9.41%	11.96%
<b>ALTERNATIVE INVESTMENTS</b>																	
Brinson IVCF II	276,067			2.24%	3.06%	270,022			-3.71%	280,402			-5.91%	-7.37%	-28.90%	3.96%	21.27%
Coral Partners II	313,230			8.45%	5.59%	275,339			-5.57%	288,961			-19.48%	-17.54%	-53.48%	-30.67%	-16.01%
Coral Partners V	10,710,356			0.57%	0.00%	10,644,361			-7.89%	10,516,776			-17.47%	-23.55%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	656,306			-0.31%	0.00%	657,976			-11.88%	734,421			-14.17%	-24.60%	N/A	N/A	N/A
Coral Partners VI	685,102			-11.41%	0.00%	772,916			-21.31%	608,359			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,919,127			-1.30%	-1.30%	1,943,320			-7.89%	2,147,412			-3.97%	-12.70%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	2,280,934			-5.12%	-5.12%	2,466,288			-6.50%	2,426,646			-4.67%	-15.43%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	3,417,673			-4.65%	-4.65%	3,582,381			-1.66%	3,174,793			-6.93%	-12.73%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	982,363			-3.01%	-3.01%	1,012,364			-1.33%	1,018,176			-1.08%	-5.33%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	727,942			7.17%	7.17%	678,877			-2.74%	686,547			0.15%	4.39%	N/A	N/A	N/A
Total Brinson Partnership Funds	9,328,039			-3.10%	-3.10%	9,683,229			1.14%	9,453,575			-4.85%	-6.75%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,218,342			2.03%	2.18%	1,223,989			-2.36%	1,140,547			12.07%	11.65%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	1,079,720			4.28%	4.28%	1,034,898			-0.81%	907,252			7.00%	10.68%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	600,271			2.11%	0.57%	446,407			-1.54%	445,970			-1.47%	-0.94%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	970,378			5.36%	5.36%	920,530			-0.33%	348,399			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	3,868,711			2.11%	1.97%	3,625,825			-1.48%	2,842,168			6.90%	7.54%	N/A	N/A	N/A
Brinson BVCF IV	6,826,261			7.35%	0.00%	6,355,815			-9.29%	6,891,660			-2.76%	-5.31%	-29.16%	-17.06%	N/A
Matlin Patterson Global Opportunities	11,051,515			-3.52%	0.00%	10,514,586			0.00%	9,125,381			N/A	N/A	N/A	N/A	N/A
InvestAmerica	873,383			0.00%	0.00%	872,928			3.02%	912,538			31.25%	35.21%	N/A	N/A	N/A
Hearthstone	4,707,884			0.00%	0.00%	4,173,907			3.48%	4,756,522			11.34%	15.21%	4.99%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>49,296,854</b>	<b>4.9%</b>	<b>5.0%</b>	<b>-0.24%</b>	<b>-0.41%</b>	<b>47,846,904</b>	<b>4.7%</b>	<b>5.0%</b>	<b>-3.11%</b>	<b>46,410,761</b>	<b>4.7%</b>	<b>5.0%</b>	<b>-7.13%</b>	<b>-10.23%</b>	<b>-29.02%</b>	<b>-0.51%</b>	<b>7.25%</b>
<i>Post Venture Capital Index</i>				-0.52%	1.10%				15.43%				-22.64%	-11.17%	-44.30%	-26.03%	-6.83%
<b>CASH EQUIVALENTS</b>																	
<b>Northern Trust STIF/STEP</b>	<b>7,961,132</b>	<b>0.8%</b>	<b>1.0%</b>	<b>0.40%</b>	<b>0.09%</b>	<b>6,255,542</b>	<b>0.6%</b>	<b>1.0%</b>	<b>0.42%</b>	<b>5,115,135</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.68%</b>	<b>1.51%</b>	<b>2.29%</b>	<b>4.72%</b>	<b>5.01%</b>
<i>90 Day T-Bill</i>				0.30%	0.12%				0.43%				0.45%	1.19%	2.63%	4.67%	4.84%
<b>TOTAL FUND</b>	<b>1,012,747,527</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-1.14%</b>	<b>0.38%</b>	<b>1,026,161,460</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4.92%</b>	<b>981,945,114</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-8.86%</b>	<b>-5.46%</b>	<b>-6.83%</b>	<b>-0.72%</b>	<b>4.67%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>-1.66%</b>	<b>0.29%</b>				<b>5.66%</b>				<b>-9.41%</b>	<b>-5.87%</b>	<b>-5.63%</b>	<b>-1.32%</b>	<b>4.65%</b>

NOTE: Monthly returns and market values are preliminary and subject to change.